

Texas Aeronautics Commission

(SB 222 by Caperton/Rudd -- line item appropriation)

DIGEST: SB 222 appropriated to the Texas Aeronautics Commission \$1,424,144 for fiscal 1990 and \$1,327,744 for fiscal 1991. Four riders reappropriated various balances for spending during fiscal 1990-91.

GOVERNOR'S

REASON

FOR VETO:

The Aeronautics Commission in its present form cannot adequately serve the needs of the aviation community in Texas. Legislation that would have addressed the aviation needs more coherently and created a Department of Transportation did not pass this session. Since the Aeronautics Commission in its present form is not a viable means for furthering the interests of aviation in this state, I am vetoing the agency's appropriation. This issue will be addressed in a special session if sufficient time is available.

RESPONSE:

The Aeronautics Commission has made efforts to fund itself through an aviation fuels tax, which every other state has, but these efforts have not met with legislative approval, said Texas Aeronautics Commission Executive Director Clay Wilkins. HB 2812 by Russell, introduced in the recent regular session, would have imposed a four-cents-per-gallon tax on aviation fuel, which would have generated an estimated \$62 million per year, \$42 million of which would have gone toward funding the Aeronautics Commission.

The bill that would have established a state Department of Transportation met with very strong opposition this session, and interim studies indicated that such a department would not be cost-effective, Wilkins said. The proposed Department of Transportation would not have regulated all transportation related agencies, only the highway department, mass transit and the Aeronautics Commission. The Aeronautics Commission serves an important function in supplementing FAA funding, particularly for the state's 262 smaller general aviation airports, which receive a very small portion of federal funds, said Wilkins.

During the first called session, the Legislature enacted HB 94 by Tallas, which reestablished the Texas Aeronautics Commission as the Texas Department of Aviation. It restored all appropriations and riders

vetoed by the governor, appropriated an additional \$4.75 million in general revenue for fiscal 1990-91 and designated the agency as the state's agent in seeking and distributing federal grants. The House Research Organization analysis of HB 94 appeared in the July 14, 1989 Daily Floor Report.

Texas Department of Agriculture

(SB 222 by Caperton/Rudd -- line item appropriation)

DIGEST: SB 222 appropriated to the Texas Department of Agriculture (TDA) a total of \$41,412,312 for fiscal 1990-91, including \$656,334 that would have been appropriated for automated data processing.

TDA rider 5 would have appropriated up to \$100,000 in bond proceeds for the Family Farm and Ranch Security Loan Program.

TDA rider 28 would have appropriated \$2.24 million for fiscal 1990-91 to implement certain bills passed by the Legislature and signed by the governor, including the TDA sunset legislation (SB 489, \$488,480), and bills creating the Texas-Israeli Semi-Arid Fund (SB 1602, \$502,030), establishing permanent agricultural inspection stations (HB 2016, \$495,820), promoting fish farming (SB 1507, \$373,496), and issuing bonds for agricultural businesses (\$173,800).

GOVERNOR'S
REASON

FOR VETO:

(For the data processing appropriation):
The Legislature appropriated over \$3.9 million for general administration. That total amount is sufficient to cover the administrative costs of a well-run agency of this size.

(For TDA rider 5):
The Farm and Ranch Security Loan Program's poor loan record makes it unworthy of any additional funding.

(For TDA rider 28):
This rider appropriates additional funds to the department contingent on the passage of certain legislation. The line item budget for the department includes appropriations adequate for all the purposes set forth in the contingent legislation, so the additional funds are unnecessary.

RESPONSE:

Deputy Agriculture Commissioner Mike Moeller summarized the impact of the veto on the agriculture department: "Approximately 60 full-time positions were eliminated from the department's 1990-91 appropriation as a result of the governor's vetoes.

"TDA will not have the data processing capabilities to efficiently process licenses and license revenues for pesticide registrants, pesticide applicators, nursery-floral operations, grain elevators, and weights and measures licenses (grocery stores, gas stations, etc.). Delays in license processing will result in a significant decrease in the amount of fee revenue (\$8 million in FY 1989) earned by the Department and deposited in the State Treasury. The veto of the appropriation of voter-approved bond proceeds for administration of the Family Farm and Ranch Security Loan Program will end TDA's ability to respond to public inquiries and process applications for loan guarantees.

"The veto of appropriations made to fund new legislation, which the governor signed, will 1) prevent TDA from implementing administrative and regulatory changes mandated through TDA's sunset legislation; 2) prevent the department from regulating and promoting the expanding fish farm industry, as required by new legislation; 3) eliminate funding for the study of drought resistant crops and water conservation technology; and 4) prevent the department from establishing border inspection stations to protect Texas producers and consumers from quarantined out-of-state produce and nursery products.

"The Legislature specified in the General Appropriations Act that each of these new and critically needed agricultural initiatives was to be funded from increases in fees and penalties. Consequently, no tax dollars were saved by this veto."

Attorney General's Office

(SB 222 by Caperton/Rudd -- line item appropriation)

DIGEST: SB 222 contained riders making appropriations to the Attorney General's Office.

Rider 11 would have appropriated earned federal funds received in connection with child support and funds received as depreciation on child support capital equipment in excess of money already appropriated. Earned federal funds from could have been transferred from the Health and Human Services line item to the Administration line item.

Rider 14 would have reappropriated to the Attorney General's Office investigative and court costs recovered by the office, to be used for court costs, expert witness fees and and other direct legal expenses related to litigation.

GOVERNOR'S
REASON
FOR VETO:

(For Rider 11):
Sufficient earned federal funds and other revenue sources are already appropriated to cover all agency operations. Any additional unrestricted funding would be poor budgeting practice and would set a bad precedent.

(For Rider 14):
This rider appropriates all litigation expenses recovered by the attorney general, in excess of any amount appropriated in the line-item budget. The agency was appropriated \$2.1 million for this program. Allowing the agency to spend additional unrestricted, unaccounted for amounts would not be a prudent allocation of state funds.

RESPONSE:

A representative for Atty. Gen. Jim Mattox said the vetoes will hurt efforts to attract federal funds to collect child support payments. The office needs more money to beef up its administrative arms, such as its personnel office, which will be adding hundreds of new employees.

Texas Conservation Foundation

(SB 222 by Caperton/Rudd -- line item appropriation)

DIGEST: The Texas Conservation Foundation was established to encourage donations of real and personal property and funds in support of the state's resources. It manages accounts established through such donations on behalf of other state agencies such as the General Land Office, Parks and Wildlife, and the Texas Historical Commission. It coordinates volunteer activities related to certain programs of these agencies.

SB 222 appropriated \$163,302 to the Conservation Foundation for fiscal 1990-91 and provided for use by the foundation of donations, income from donations and any income from sale, lease or operation of donated property.

**GOVERNOR'S
REASON
FOR VETO:**

At one time state law required a separate agency to solicit donations for money and property for the Department of Parks and Wildlife and other agencies. This no longer the case, and continuing the agency is not justified.

RESPONSE:

Dissolving the Conservation Foundation means that the various programs it handles will have to be dispersed among a variety of state agencies and/or separate volunteer groups, said John Hamilton, executive director of the Texas Conservation Foundation. The state needs to exhibit leadership in this role. Having an agency such as this to handle donations of money and lands protects other state agencies from the accusation that they can be bought, said Hamilton.

Texas Employment Commission labor law enforcement
(SB 222 by Caperton/Rudd -- line item appropriation)

DIGEST: Contingency rider 22 for the Texas Employment Commission (TEC) would have appropriated \$250,000 in general revenue in each year of the fiscal 1990-91 biennium for implementation of HB 863 by Vowell, which transferred to the TEC from the Department of Labor and Standards enforcement of three employment-related laws.

GOVERNOR'S
REASON
FOR VETO:

Another rider already appropriates over \$200,000 more to carry out this function than it cost to perform the function when it was at the Department of Labor and Standards. Such funding increases are not justified.

RESPONSE:

TEC administrator William D. Grossenbacher said that the money in the contingency rider was needed to implement enforcement of "pay-day" law provisions that were expanded significantly in the transfer from the Department of Labor and Standards. "We needed the general revenue appropriated because we are prohibited from using federal grant money for enforcement of a state statute unrelated to unemployment compensation," Grossenbacher said. The other contingent rider to which the governor referred was based on projected collections of penalties and interest, but the agency cannot collect amounts projected without other funding to begin enforcement, he said.

Bill Wells, director of the Sunset Advisory Commission (the Department of Labor and Standards recently underwent sunset review), said that his office had recommended the vetoed rider to the conference committee on SB 222 as a "bare minimum" to cover initial costs. An identical amount was removed from the Labor and Standards budget. "Our estimate showed that the penalty and interest fund did not have enough flexibility, and the governor's estimate apparently showed that it did," said Wells.

NOTES:

TEC contingency rider 21, which was not vetoed, appropriates \$182,910 in fiscal 1990 and \$273,000 in fiscal 1991 from the Unemployment Compensation Special Administration Fund No. 165 for implementation of HB 863.

Fire department training assistance funds
(SB 222 by Caperton/Rudd -- line item appropriation)

DIGEST: Rider 4 to the SB 222 appropriation for the Commission on Fire Protection Personnel Standards and Education appropriated funds for fire department training assistance for commission-approved training courses in fire suppression. Fire protection personnel will be required to complete such a course before being assigned full-time to fire suppression duty when HB 457 by Guerrero, enacted by the 71st Legislature, becomes effective on Sept. 1, 1989.

GOVERNOR'S
REASON
FOR VETO:

I fully support the concept of fire department training. However, a new function of the State Fire Marshal's Office within the State Board of Insurance is to make training and equipment grants and loans to local fire departments. As a result, this appropriation is an unnecessary duplication of resources.

RESPONSE:

There was apparently confusion in the Governor's Office concerning the intent of HB 457, upon which the appropriation to the commission depended, said Ray Goad, executive director of the Commission on Fire Protection Personnel Standards and Education. The Training Assistance Funds Contingency was aimed at full-time, paid fire fighters. The State Fire Marshal's Office program referred to in the governor's veto has to do with volunteer fire fighters. Therefore, there is no duplication of resources at all, said Goad.

Texas Advisory Commission on Intergovernmental Relations
(SB 222 by Caperton/Rudd -- line item appropriation)

DIGEST: SB 222 appropriated \$473,447 for the Texas Advisory Commission on Intergovernmental Relations for fiscal 1990-91 for administration of the commission. Rider 3 to the commission appropriation would have specified that any unexpended balance on Aug. 31, 1989 would be appropriated for the biennium beginning Sept. 1, 1989 and that any balance on Aug. 31, 1990 would be reappropriated for the year beginning Sept. 1, 1990.

GOVERNOR'S
REASON

FOR VETO: This agency's appropriation for the coming biennium includes no general revenue funds, which would require other entities to fund the agency. It has been funded by grants from the Governor's Office because it is unable to obtain sufficient contract work to sustain adequate revenue flow to survive. Texas college and universities are equipped to carry out any research studies that may be necessary. As a result, there is no longer a justification to fund a separate state agency for this purpose.

RESPONSE: Jay Stanford, executive director of the Advisory Commission on Intergovernmental Relations, said the stage for the veto was set by the conference committee's refusal to appropriate even the small amount of general revenue (\$52,586, plus \$47,414 in cash flow borrowing) recommended in the Senate version of SB 222. Stanford said the commission was predominantly self-supporting but general revenue was needed to generate more funds from other agencies. "Those funds might have been spent on private consultants or would have required someone else to hire staff for other state agencies," he said. "We probably saved money by having a central place where people could go for research."

Rep. Debra Danburg, a member of the commission, said she regretted the loss of an agency that provided unbiased research and a big-picture perspective on issues affecting relationships between the state, its localities and the federal government. "Not only was it cost-efficient because it operated on a contract basis and got reimbursed for almost all the work it did, but it also saved money up and down the government rungs by making sure we didn't reinvent the wheel and have duplication of efforts," Rep. Danburg said.

Peace officer student loan program

(SB 222 by Caperton/Rudd -- line item appropriation)

DIGEST: Rider 6 for the Texas Commission on Law Enforcement Officer Standards and Education (TCLEOSE) in SB 222 would have appropriated \$1,251,784 in fiscal 1990 and \$1,232,771 for fiscal 1991 for a peace officer college loan program established by SB 269 by Armbrister, which was vetoed by the governor. Revenue for the program would have come from the Law Enforcement Officer Standards and Education Fund No. 116, which includes revenue from a \$1 levy on all traffic fines and criminal convictions and is paid to TCLEOSE by counties. TCLEOSE would have established and administered the college loan program for current and prospective peace officers.

GOVERNOR'S

REASON

FOR VETO:

I support the concept of attempting to attract bright young Texans into the law enforcement profession. However, this program is not a loan program; it is actually a grant program that will require continued subsidization from general revenue funds for the program to continue. Better mechanisms exist for attracting people into law enforcement.

RESPONSE:

Fred Toller, executive director of TCLEOSE, said that he was surprised by the governor's veto of a provision that had met no opposition throughout the legislative process. "Recruiting college level persons into law enforcement is a nationally recognized need that this program sought to address. Implicit in the program was the recruitment of individuals from minority groups who could benefit from the increased access to higher education that the loan program would offer. Large metropolitan areas would have benefitted most from these efforts," Toller said.

SB 38 by Armbrister, which was filed for the special session, would authorize a similar loan program but would repay the interest only, not the principal on any loans, Toller said. It is an attempt to address the governor's concern that the original proposal was more of a grant than a loan program.

NOTES:

The veto of SB 269 by Armbrister is also analyzed in this report.

Parks and Wildlife Department

(SB 222 by Caperton/Rudd -- line item appropriations)

DIGEST: SB 222 contained riders making appropriations to the Parks and Wildlife Department.

Rider 23 would have appropriated to the Department the remaining balance of the All-Terrain Vehicle Safety Fund, to educate the public about the dangers associated with three-wheeled, all-terrain vehicles.

Rider 45 was a contingency appropriation of \$56,000 for fiscal 1990 and \$40,000 for fiscal 1991 to implement HB 1462, which would have allowed the concessioner at the Galveston State Park to obtain a liquor license and sell alcoholic beverages at the amphitheater there.

GOVERNOR'S

REASON

FOR VETO:

(For Rider 23):

This rider was unnecessary because the program to educate the public about all-terrain vehicles was transferred to the Department of Public Safety.

(For Rider 45):

The authority to sell alcoholic beverages in a state park is a precedent that does not need to be set in Texas.

RESPONSE:

Parks and Wildlife Director of Finance Jim Dickinson said that the Department agrees with the governor's actions. The original bill creating the All-Terrain Vehicle Safety Fund allows the governor to designate the agency that will administer the fund. Because the governor designated a different agency, Parks and Wildlife was not eligible to receive the money. Dickinson also said that the appropriation contingent on HB 1462 was useless once that bill was vetoed.

NOTES:

HB 1462 by Criss, prohibiting the Parks and Wildlife Department from regulating the sale and consumption of alcoholic beverages in part of Galveston State Park, was vetoed by the governor and is analyzed in this report.

By executive order (WPC-89-2) issued on June 27, 1989, the governor transferred state administration of all-terrain vehicle regulation from the Texas Parks and

Wildlife Department, which he had earlier designated to administer the program, to the Texas Department of Public Safety. SB 222 includes an appropriation from the All-Terrain Vehicle Safety Fund No. 598 for the Department of Public Safety of \$22,933 for fiscal 1990 and \$14,203 for fiscal 1991.

Purchasing and General Services Commission interagency mail
(SB 222 by Caperton/Rudd -- line item appropriation)

DIGEST: Rider 39 to the SB 222 appropriation for the State Purchasing and General Services Commission (SPGSC) would have appropriated a total of \$48,600 in fiscal 1990-91 from the General Revenue Fund to pay for expanding interagency mail service. The rider was contingent on enactment of HB 411 by Williamson, which requires all agencies in Travis County, not just those in the the City of Austin, to use interagency mail for delivery of mail and packages between state agencies. The bill requires the SPGSC to have one additional mail route to serve four agencies not currently served by interagency mail service. The bill was enacted and signed by the governor.

GOVERNOR'S
REASON

FOR VETO: The agency's increased funding this biennium will more than adequately cover the costs of additional services for interagency mail.

RESPONSE: The State Purchasing and General Services Commission had no comment.

Texas Higher Education Coordinating Board
(SB 222 by Caperton/Rudd -- line item appropriation)

DIGEST: Item 16 of the SB 222 appropriation for the Texas Higher Education Coordinating Board appropriated \$100,000 to hire consultants to conduct special studies. Item 23 appropriated \$1,000,000 for the Utility Contingency Fund for universities that do not have enough funds to cover their utility expenses.

GOVERNOR'S
REASON

FOR VETO: (For Item 16):
Additional non-specific studies by the Coordinating Board should be carried on as part of their normal operations and not require additional special funding.

(For Item 23):
Texas' colleges, universities, and medical schools are the largest utility users in state government. As a group they expended \$140 million in 1988. A utility payment contingency fund would be a disincentive for energy savings.

RESPONSE: "The governor's veto would delay or reduce the quality of the studies being done by the board," said Bill Webb, assistant commissioner for finance for the Texas Higher Education Coordinating Board. Many of these studies are done at the request of the Legislature, including a review of the doctoral programs in the state.

The utility fund was used to compensate for any unexpected increases in utility costs, Webb said. The veto will require universities to take funds from other academic endeavors until they can request an emergency appropriation from the Legislature.